



General Assembly

February Session, 2002

Raised Bill No. 5559

LCO No. 1835

Referred to Committee on Human Services

Introduced by:
(HS)

AN ACT INCREASING MEDICAID REIMBURSEMENT FOR HOME HEALTH CARE AND CREATING A DISTRESS FUND FOR HOME HEALTH CARE AGENCIES.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 17b-242 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective July 1, 2002*):

3 (a) The Department of Social Services shall determine the rates to be
4 paid to home health care agencies and homemaker-home health aide
5 agencies by the state or any town in the state for persons aided or
6 cared for by the state or any such town. For the period from February
7 1, 1991, to January 31, 1992, inclusive, payment for each service to the
8 state shall be based upon the rate for such service as determined by the
9 Office of Health Care Access, except that for those providers whose
10 Medicaid rates for the year ending January 31, 1991, exceed the median
11 rate, no increase shall be allowed. For those providers whose rates for
12 the year ending January 31, 1991, are below the median rate, increases
13 shall not exceed the lower of the prior rate increased by the most
14 recent annual increase in the consumer price index for urban
15 consumers or the median rate. In no case shall any such rate exceed the

16 eightieth percentile of rates in effect January 31, 1991, nor shall any rate
17 exceed the charge to the general public for similar services. Rates
18 effective February 1, 1992, shall be based upon rates as determined by
19 the Office of Health Care Access, except that increases shall not exceed
20 the prior year's rate increased by the most recent annual increase in the
21 consumer price index for urban consumers and rates effective
22 February 1, 1992, shall remain in effect through June 30, 1993. Rates
23 effective July 1, 1993, shall be based upon rates as determined by the
24 Office of Health Care Access pursuant to the provisions of subsection
25 (b) of section 19a-635, except if the Medicaid rates for any service for
26 the period ending June 30, 1993, exceed the median rate for such
27 service, the increase effective July 1, 1993, shall not exceed one per
28 cent. If the Medicaid rate for any service for the period ending June 30,
29 1993, is below the median rate, the increase effective July 1, 1993, shall
30 not exceed the lower of the prior rate increased by one and one-half
31 times the most recent annual increase in the consumer price index for
32 urban consumers or the median rate plus one per cent. The
33 Commissioner of Social Services shall establish a fee schedule for home
34 health services to be effective on and after July 1, 1994. The
35 commissioner may annually increase any fee in the fee schedule based
36 on an increase in the cost of services. The commissioner shall increase
37 the fee schedule for home health services provided under the
38 Connecticut home-care program for the elderly established under
39 section 17b-342, as amended, effective July 1, 2000, by two per cent
40 over the fee schedule for home health services for the previous year.
41 The commissioner shall increase the fee schedule for home health care
42 agencies and homemaker-home health aide agencies provided under
43 Medicaid, effective July 1, 2002, by twelve per cent over the fee
44 schedule for such services for the previous year. The commissioner
45 may increase any fee payable to a home health care agency or
46 homemaker-home health aide agency upon the application of such an
47 agency evidencing extraordinary costs related to (1) serving persons
48 with AIDS; (2) high-risk maternal and child health care; (3) escort
49 services; or (4) extended hour services. In no case shall any rate or fee

50 exceed the charge to the general public for similar services. A home
51 health care agency or homemaker-home health aide agency which, due
52 to any material change in circumstances, is aggrieved by a rate
53 determined pursuant to this subsection may, within ten days of receipt
54 of written notice of such rate from the Commissioner of Social Services,
55 request in writing a hearing on all items of aggrievement. The
56 commissioner shall, upon the receipt of all documentation necessary to
57 evaluate the request, determine whether there has been such a change
58 in circumstances and shall conduct a hearing if appropriate. The
59 Commissioner of Social Services shall adopt regulations, in accordance
60 with chapter 54, to implement the provisions of this subsection. The
61 commissioner may implement policies and procedures to carry out the
62 provisions of this subsection while in the process of adopting
63 regulations, provided notice of intent to adopt the regulations is
64 published in the Connecticut Law Journal within twenty days of
65 implementing the policies and procedures. Such policies and
66 procedures shall be valid for not longer than nine months.

67 (b) The Department of Social Services shall monitor the rates
68 charged by home health care agencies and homemaker-home health
69 aide agencies. Such agencies shall file annual cost reports and service
70 charge information with the department.

71 (c) The Commissioner of Social Services shall establish a separate
72 distress fund for home health care agencies and homemaker-home
73 health aide agencies experiencing financial distress due to servicing a
74 disproportionate share of Medicaid patients. Any such agency whose
75 visits consist of no less than fifteen per cent Medicaid visits may apply
76 to the commissioner for such distress funds, which shall be
77 administered at the discretion of the commissioner.

78 (d) Any home health care agency or homemaker-home health aide
79 agency which is aggrieved by a decision of the commissioner
80 concerning the administration of the distress fund created by
81 subsection (c) of this section or by any decision of the commissioner

82 concerning a reimbursement for Medicaid services or the fees or rate
 83 thereof may request a hearing in accordance with sections 4-177 to 4-
 84 181, inclusive.

85 (e) Not less than twenty per cent of the amount of any settlement or
 86 judgment received by the state between January 1, 2002, and June 30,
 87 2003, resulting from litigation filed by the state against The Centers for
 88 Medicare and Medicaid Services concerning payments for home care
 89 services for dually eligible patients shall be deposited into the distress
 90 fund created by subsection (c) of this section and used in accordance
 91 with said subsection.

92 Sec. 2. (*Effective July 1, 2002*) The sum of ____ dollars is appropriated
 93 to the Department of Social Services, from the General Fund, for the
 94 fiscal year ending June 30, 2003, for the distressed fund established
 95 pursuant to subsection (c) of section 17b-242 of the general statutes, as
 96 amended by this act.

This act shall take effect as follows:	
Section 1	<i>July 1, 2002</i>
Sec. 2	<i>July 1, 2002</i>

Statement of Purpose:

To increase the Medicaid reimbursement for home health care, provide a Distress Fund for home health care and homemaker-home health aide agencies which care for a high number of Medicaid patients, and allocate to the Distress Fund a portion of any settlement or judgment between the state and the federal government over payments for home health care services for dually eligible residents under Medicare and Medicaid.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]